

Avery Samet
 Jeffrey Chubak
 Amini LLC
 131 West 35th Street
 12th Floor
 New York, NY 10001
 (212) 490-4700
asamet@aminillc.com
jchubak@aminillc.com
 Attorneys for Plaintiff-Appellee

UNITED STATES DISTRICT COURT
 SOUTHERN DISTRICT OF NEW YORK

In re:	25-cv-01691-PAE
TRANSCARE CORPORATION	
Debtor	16-bk-10407-DSJ
PATRIARCH PARTNERS AGENCY SERVICES, LLC	
Appellant	18-ap-01021-DSJ
v.	Re: ECF #4 (“Motion”)
SALVATORE LAMONICA, as Chapter 7 Trustee	
Appellee	

**RESPONSE IN OPPOSITION TO MOTION FOR
 CERTIFICATION OF DIRECT APPEAL TO SECOND CIRCUIT**

Plaintiff-appellee and judgment creditor Salvatore LaMonica as Chapter 7 Trustee (“Trustee”) submits this memorandum of law in opposition to the [Motion](#) of defendant-appellant and judgment debtor Patriarch Partners Agency Services, LLC (“PPAS”) to certify direct appeal of the Decision Partly Granting Trustee’s Motion to Approve Attorney’s Fees (18-ap-01021-DSJ ECF [#190](#), 2025 WL 427305, “Decision”) and resulting judgment (18-ap-01021-DSJ ECF [#191](#)) to the Second Circuit.

PPAS’s argument, that direct appeal is warranted because the instant matter presents legal questions as to which there is no controlling decision, under 28 U.S.C. § 158(d)(2)(i), fails.

The primary issue on appeal (ECF [#3](#)), that which is the subject of the [Motion](#), is whether the Bankruptcy Court erred in holding 11 U.S.C. § 550(d) did not preclude the Debtor and Creditor

Law (“DCL”) § 276-a attorneys’ fees award against PPAS, notwithstanding that the amount recovered on the judgment against defendant Lynn Tilton (“Tilton”) on the fiduciary duty claim against her inclusive of prejudgment interest, exceeded the amount of the PPAS judgment on the fraudulent conveyance claim against it (which arose from the same injury as the Tilton judgment, 2020 WL 8021060, at *32; 2021 WL 4459733, at *20), inclusive of prejudgment interest, plus DCL § 276-a attorneys’ fees awarded.

Stated differently, PPAS challenges the Bankruptcy Court’s conclusion that “it cannot be said that the Trustee’s recovery to date [from Tilton] has satisfied the separate attorneys’ fee award entered solely against PPAS”; that “the single-satisfaction rule does not preclude the Trustee’s requested award of reasonable attorneys’ fees as against PPAS”; and that “PPAS’s position is analytically misguided because it ignores the purpose and effect of the interest-award component of civil judgments.” ([Decision](#) at 9, 11.)

This issue is addressed by controlling authority. The Second Circuit has held DCL § 276-a obligations are “ancillary” i.e. in addition to underlying fraudulent conveyance liability. *Atlanta Shipping Corp., Inc. v. Chemical Bank*, 818 F.2d 240 (2d Cir. 1987) (“the claim under DCL § 276-a is ancillary to the other DCL claims [so] it stands or falls with their disposition”); Black’s Law Dictionary (12th ed.) (defining “ancillary” as “supplementary”, and construing “supplementary” in the definition of supplemental disclosure as “additional”). *See also TransCare*, 2020 WL 8021060, at *1 (DCL § 276-a award is “in addition” to the underlying judgment against PPAS). Controlling authority also makes clear full compensation on the Tilton judgment on the fiduciary duty claim includes prejudgment interest. *West Virginia v. U.S.*, 479 U.S. 305, 310 & n.2 (1987) (“Prejudgment interest is an element of complete compensation”; “Prejudgment interest serves to compensate for the loss of use of money due as damages from the time the claim accrues until

judgment is entered, thereby achieving full compensation for the injury those damages are intended to redress”); *State of Kansas v. State of Colorado*, 2000 WL 34508307, at *40 (Aug. 31, 2000) (collecting cases) (“there is now ample authority that prejudgment interest is not an added remedy, but simply is part of providing full compensation for the injured party”). If full compensation on the Tilton judgment requires payment of prejudgment interest, and DCL § 276-a obligations are in addition to the fraudulent conveyance judgment against PPAS arising from the same injury, it follows that DCL § 276-a obligations cannot be satisfied with prejudgment interest recovered on the Tilton judgment.

PPAS’s argument is based on the false premise that the Bankruptcy Court’s determination was based upon an alleged lack of controlling precedent. ([Motion](#) at 2, 5, 7.) What the Bankruptcy Court actually found was zero authority to support PPAS’s position, that it could pay its DCL § 276-a liability with prejudgment interest the Trustee recovered on the Tilton judgment. ([Decision](#) at 11 (“PPAS did not put forward, and the Court did not find, any case where the recovery of statutory interest from another judgment obligor meant that a separate fee award against a different party became unenforceable by operation of the single satisfaction provision”).) The [Motion](#) should be denied.

Dated: New York, NY
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Amini LLC

/s/ Jeffrey Chubak
Avery Samet
Jeffrey Chubak
Amini LLC
131 West 35th Street
12th Floor
New York, NY 10001
(212) 490-4700
asamet@aminillc.com
jchubak@aminillc.com
Attorneys for Plaintiff-Appellee

CERTIFICATION

I certify under penalty of perjury that the foregoing document has 657 words as calculated using the word-count feature of the word-processing program used to prepare the same, and so complies with FRBP 8013(f)(3)(A). Executed this 10th day of April, 2025.

/s/ Jeffrey Chubak